

LAIBAN DAM PROJECT

CHRONOLOGY OF EVENTS :

<u>DATE</u>	<u>ACTIVITIES/EVENTS</u>
November 1978	<p>President Marcos deferred the Marikina River Project but gave instruction to explore other alternative resources.</p> <p>Kaliwa River Basin was later found to be the most viable to replace Marikina River Project in the development program of MWSS.</p>
1979	Feasibility Study of the Kaliwa River Basin
August 1979	Preliminary appraisal of the Kaliwa River Basin by the IBRD (World Bank) Mission was conducted and the Project was denominated as the Manila Water Supply III Project with Kaliwa River Basin as the first stage of development.
January 1980	Presidential Inter-Agency Committee for the Re-Study of the Marikina River Project (PICOREM) has resolved under Resolution No. 80-1 that MWSS shall take responsible charge for undertaking the Detailed Engineering Studies for the Manila Water Supply III Project and thereafter its implementation.
May 1981	Inter-Agency Committee composed of key officials from MWSS, DAR, DENR, DPWH and the Rizal Provincial Government was created pursuant to Presidential Memorandum Order No. 725 for the smooth and orderly relocation of families affected by the Laiban Dam Project of MWSS.
1980 – 1984	Detailed Engineering Design was conducted for the Manila Water Supply III Project (also known as Laiban Dam Project) and the Summary Engineering Report was submitted on July 1984.
1982 - 1984	Construction of the 12 km access road to damsite followed by the construction of twin 9 meters diameter x 500 meters length diversion tunnel which was completed on September 1984.
1983 - 1985	Asset Inventory Survey – The families' land occupancy and above-ground improvements (dwelling units and fruit trees) were inventoried.

<u>DATE</u>	<u>ACTIVITIES/EVENTS</u>
January 1986	Presidential Proclamation No. 2480 was issued reserving a 4,424 hectares of the Marikina Watershed Reservation (including the 1,507 hectares titled properties of MWSS) in sitio San Ysiro, Barangay San Jose, Antipolo, Rizal, for resettlement purposes under the administration of MWSS.
Dec. 07, 1989	Deferment of Laiban Dam Project in lieu of other equally important water supply projects, as approved by the MWSS Board of Trustees under Resolution No. 195-89.
1990 - 1996	Despite the deferment, MWSS has continued other pre-construction activities such as payment of above-ground improvements introduced by the affected families, partial land acquisition, detailed engineering works and construction of 14.40 km access road for the San Ysiro Relocation Site.
May 1996 to February 1997	Review/Study of Engineering and Design including Tender Documents for the Manila Water Supply Project III (Laiban Dam Project), done by consultant Electrowatt Engineering.
August 1, 1997	MWSS Privatization (the operation of the system of waterworks and sewerage services was privatized under a Concession Agreement subdivided into East and West service areas.
Aug. 05, 1998	Memorandum Order No. 10 issued by President Joseph E. Estrada mandating MWSS to immediately resume the implementation of Laiban Dam Project.
Oct. 06, 1999	Approval was granted by the Office of the President of the Philippines of the U.S. 1.0 Million Foreign Currency Denominated Unit (FCDU) Short Term Loan with the Philippine National Bank to cover the immediate implementation of Laiban Dam Project.
April 2000 to Sept. 12, 2000	Consulting works for the review/update of the financial, legal/institutional and other aspects of Laiban Dam Project.
Aug. 15, 2000	Re-convening of the Inter-Agency Committee created under Presidential Memorandum Order No. 725. In the first meeting of the Committee, it was agreed to amend M.O. # 725, hence, the proposed amendment is now for approval by the President after being reviewed by the Office of the Government Corporate Counsel (OGCC) under Contract Review No. 331.

<u>DATE</u>	<u>ACTIVITIES/EVENTS</u>
May 2000 to October 2000	Consultancy Services work for the study/survey of families to be affected by the Laiban Dam Project by UPSARDF
Jan 2002 to June 2002	Consulting works for the preliminary resettlement planning by UPSARDF
Oct 2001 – Nov 2003	Loan processing for the Technical Assistance Loan with ADB pertaining to technical studies for new water sources that includes the Laiban Dam Project
Feb 2004 to Oct 2008	Implementation period for the above Technical Assistance Loan with ADB. However, loan amount for the other preparatory works for Laiban Dam Project was cancelled per request of MWSS and instead this was funded by the two (2) Concessionaires.
Sept 2006 to March 2007	Consulting works for the preparation of bid documents and assess tenders done by consultant Daruma, funded by the two (2) Concessionaires.
April 2007	NEDA-ICC approval of the Project in the total cost of PhP48 Billion to be funded under the China Loan.
June 2007 – Dec 2007	Further geological investigation to confirm/validate the extent of limestone formation at damsite
February 19, 2008	In the Joint NEDA Cabinet Group and Procurement Transparency Group meeting held on February 19, 2008, MWSS was instructed to cancel Laiban Dam Project under the China Loan and focus instead on the implementation of the Angat water Utilization and Aqueduct Improvement Project (AWUAIP) – Phase 2
April 2008 to May 2008	<i>Due to the urgency of the Project based on the MWSS' water supply deficit for Metro Manila and the issue of the reliability of a single water supply source which is the Angat Dam, MWSS pursued the Project through other mode of procurement which is the Joint Venture Agreement scheme (promulgated by NEDA), hence, interested proponents through MOU were allowed to undertake due diligence preparatory to the submission of their Unsolicited Proposals.</i>
June 2008 to Sept 2008	CalEnergy, a private proponent, undertook an extensive due diligence on the Project in accordance with the MOU signed on June 2008. However, CalEnergy did not submit its Unsolicited Proposal but instead withdrawn its interest on the Project.

<u>DATE</u>	<u>ACTIVITIES/EVENTS</u>
Sept 08, 2008	MOU was signed with SM Bulk Water Company Inc. (SMBWCI) for the conduct of due diligence preparatory to the submission of its Unsolicited Proposal.
February 09, 2009	SM Bulk Water Company Inc submitted its Unsolicited Proposal for the Project.
Feb 25, 2009	Start of evaluation by the Joint Venture Selection Committee (JVSC) on the said Unsolicited Proposal.
June 17, 2009	Upon the approval by the MWSS Board, JVSC issued a Certificate of Successful Negotiation to SM Bulk Water Company Inc.
July 2 & 3, 2009	Publication in newspapers of general circulations the "Invitation to Apply for Eligibility and to Submit Proposal for the design, financing, construction and operation of the Laiban Dam Project under a contractual Joint Venture Agreement with MWSS" (Competitive Challenge).
July 2 – 8, 2009	Period of procurement of Selection/Tender Documents for the Competitive Challenge. However, during this period of procurement, no interested proponent came to the Office to purchase the documents, hence the procurement period has expired.

LAIBAN DAM PROJECT

A. The Project:

This Project aims to supplement the long term water supply requirements of Metro Manila by constructing a dam utilizing the Kaliwa River Basin in Tanay, Rizal. The Dam will provide an average yield of 22 cms (cubic meter/second) or 1,900 MLD (million liters per day) of water supply and approximately 25 MW for hydropower generation. Kaliwa River basin is situated east of Metro Manila and drains a mountainous watershed of about 28,000 hectares on the slope of Sierra Madre Mountains

B. Project Background:

- FS and detailed engineering for the Project were already completed in 1980's including the construction of the diversion tunnels
- Some of the affected families were already compensated of their above-ground improvements and several titled properties were also been acquired
- The Project including the supposed relocation was deferred in 1989 in lieu of an equally important projects, the Angat Water Supply Optimization Project (AWSOP) and the Umiray-Angat Transbasin Project,(UATP)
- Several reviews & updating were conducted to prepare the Project for tendering and eventually for funding either thru Build-Operate-Transfer (BOT) or other financing scheme.

C. Project Components:

The major components of the project are as follows:

- 113 m. high rockfill dam
- 13 km.-3.60 m. dia. Tunnel & pipeline
- 30 megawatts hydropower plant
- 2400 MLD water treatment plant
- 10 km.-3.60 m. dia. Tunnel & pipeline to Taytay Reservoir
- 120 ML reservoir & pressure control station at Taytay
- 100 MLD Pumping station & 20 ML reservoir at Antipolo
- Trunk and Primary Distribution Mains
- Right-of-way acquisition and relocation of about 4,000 plus affected families including site development of proposed 4,424 hectares resettlement site in San Ysiro, Antipolo City, proclaimed as resettlement site under Proclamation No. 2480.

D. MAJOR WORKS UNDERTAKEN:

- Feasibility Studies (FS) and Detailed Engineering was completed in 1984
- River Diversion Tunnels, twin-9m.ø x 500 meters long concrete-lined tunnel was constructed in 1984.
- Acquisition of affected titled lands (only 10% physical accomplishment) and compensation of above-ground improvements (87% financial accomplishment)
- Updating of FS and Detailed Eng'g. in 1997.
- Review/Update of the Financial, Legal / Institutional & other aspects of the Project in 2000.
- Study/Survey of Project Affected Families in 2000.
- Preliminary Resettlement Planning in 2001.
- Updating and preparation of bid documents completed in March 2007.

Remarks:

- Per MWSS Board Resolution No. 195-89, the Laiban Dam Project was deferred in 1989 in lieu of an equally important water supply projects, the Angat Water Supply Optimization Project (AWSOP) and the Umiray-Angat Transbasin Project (UATP).
- However, Presidential Memorandum Order No. 10 dated August 5, 1998 was issued by then President Estrada mandating MWSS to immediately resume the implementation of the Laiban Dam Project.

E. PROJECT COST ESTIMATE: PhP 48 Billion (NEDA-ICC approved cost)

F. PROJECT SCHEDULE: Construction Period = 2010 to 2015 (5 years)

G. Importance of this Project:

- This Project aims to supplement the long-term water supply requirements of Metro Manila with a supply volume of 1,900 MLD of raw water, and in order to avoid the risk of possible water shortage in the future considering the increasing water demand.
- The projected water demand by 2015 is 5600mld and this is way above the present water supply of 4,000mld from Angat Dam or a deficit of 1,600mld. Thus, in order to address the increasing water demand, there is therefore the need to develop a new water source capable of producing at least 1,600mld, and henceforth Laiban has a supply capacity of 1,900mld. Furthermore, Laiban is part of the road map for new water sources approved by the MWSS Board of Trustees under Resolution No. 2005-177 dated August 18, 2005.
- On the issue of the reliability of a single water supply source which is the Angat Dam, the Angat Dam because of its age and the presence of the West Valley fault in the vicinity of the dam, make our water supply source at risk. A new water source therefore will help mitigate the loss of water supply from the other source in case of major disasters and natural calamities.
- Laiban is the only remaining nearest surface water source for Metro Manila; the longer the Project is delayed, the more difficult the project implementation is, due to increasing number of settlers every year and the more costly the project becomes.
- All preparatory works were already completed; the detailed design, bid documents including the diversion tunnel was already constructed. It's the one big source ready for construction.

H. Target Beneficiaries:

- This Project is intended to serve an estimated population of about 5.50 million or equivalent to 690,000 households and to serve the areas of Rizal Province, southern Metro Manila and to improve the services and supply of the existing service areas.

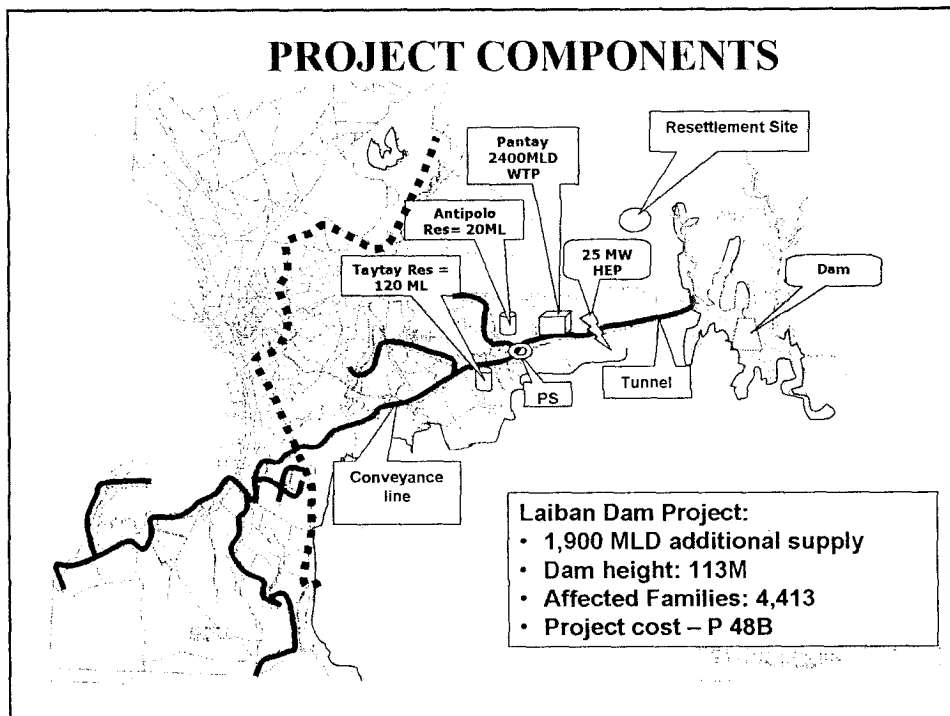
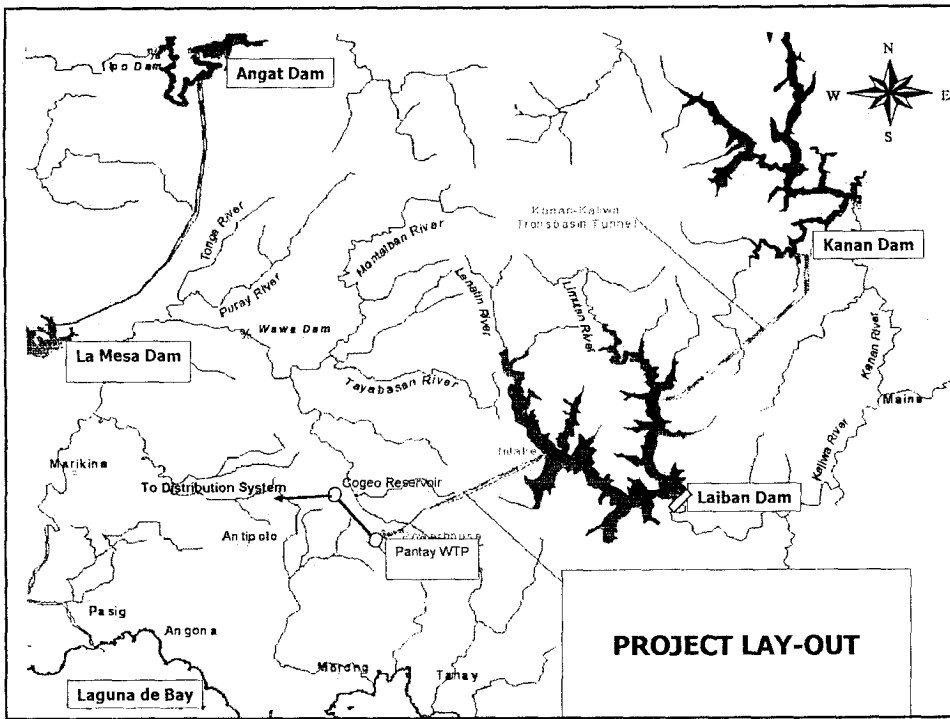
Project Status (as of July 14, 2009):

- Selection process under the Joint Venture Agreement scheme promulgated by NEDA is in progress particularly on the Unsolicited Proposal submitted by SM Bulk Water Company Inc. wherein the period of Competitive Challenge has already elapsed considering that no interested proponent has acquired the Selection/Tender Documents during the procurement period from July 02 to July 08, 2009.
- Processing of the new ECC for the Project is in progress.

MWSS Laiban Dam Project

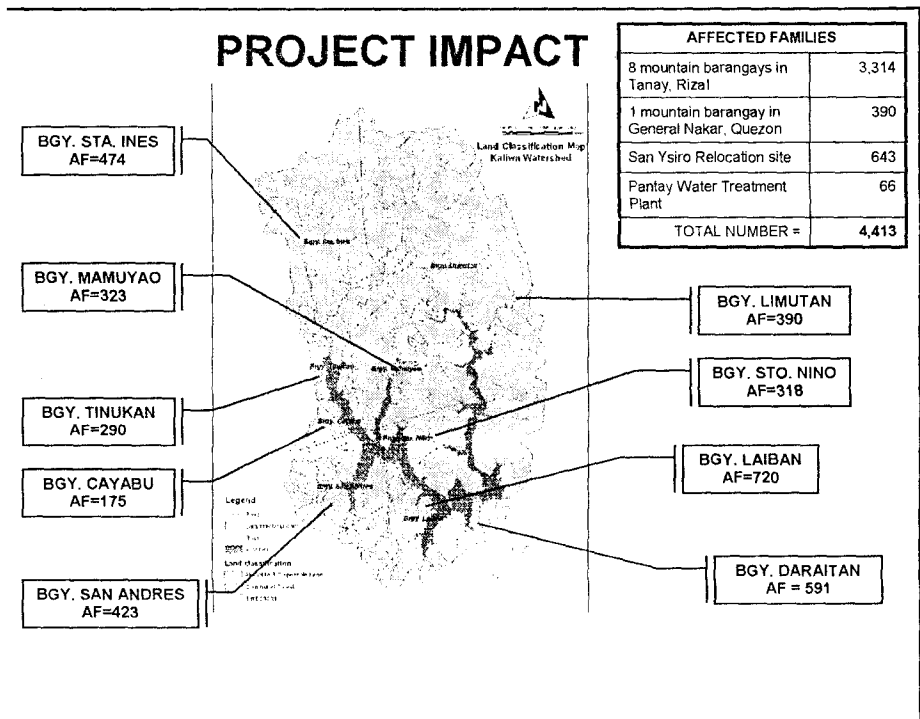
PROJECT PROFILE

- *The Project is a multi-purpose water supply and power project;*
- *The second major source of water for Metro Manila, after Angat Dam.*
- *Provides 1,900 MLD of water & 25 MW power.*
- *To construct a 113-meter high dam utilizing the Kaliwa River in Tanay, Rizal.*
- *Situated east of Metro Manila on a mountainous watershed of about 28,000 hectares in the Sierra Madre Mountains.*



BRIEF BACKGROUND

- FS and detailed engineering for the Project were already completed in 1980's including the construction of the diversion tunnels
- Some of the affected families were already compensated of their above-ground improvements and several titled properties have also been acquired
- The Project including the supposed relocation was deferred in 1989 in lieu of an equally important projects, the Angat Water Supply Optimization Project (AWSOP) and the Umiray-Angat Transbasin Project (UATP)
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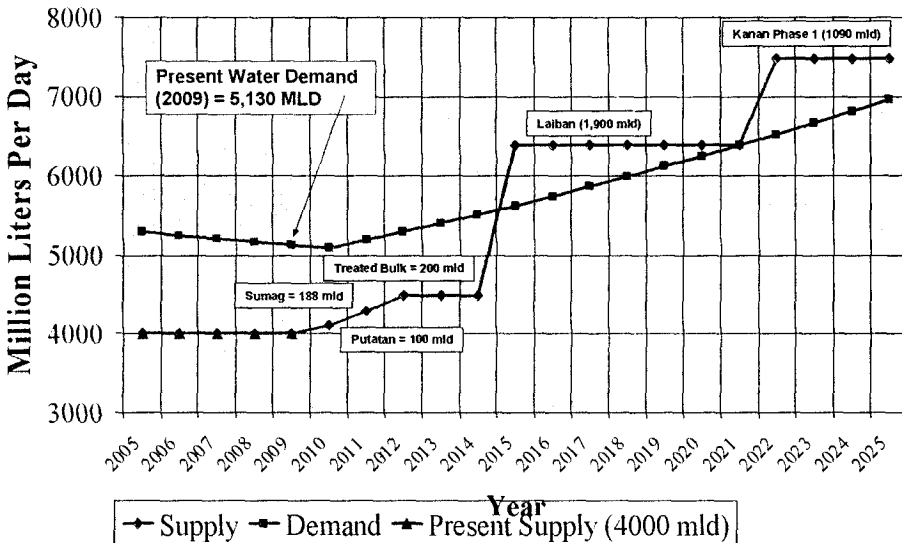


Importance of the Project

- Supplement the long-term water supply requirements and avoid the risk of possible water shortage in the future;
- Laiban, with a supply capacity of 1,900 MLD is capable to meet the water supply deficit of 1,600 MLD by 2015 (present supply from Angat Dam is 4,000 MLD as against the projected demand by 2015 of 5,600 MLD) and this Project is part of the road map for new water sources approved by the MWSS Board of Trustees in 2005.
- On the issue of the reliability of a single water supply source which is the Angat Dam, the Angat Dam because of its age and the presence of the West Valley fault in the vicinity of the dam, make our water supply source at risk. A new water source (Laiban) therefore will help mitigate the loss of water supply from the other source in case of major disasters and natural calamities.
- Laiban is the only remaining nearest surface water source for Metro Manila; the longer the Project is delayed, the more difficult the project implementation is, due to increasing number of settlers every year and the more costly the project becomes.
- All preparatory works were already completed; the detailed design, bid documents including the diversion tunnel was already constructed. It's the one big source ready for construction.

100mld + Sumag (188mld) + 200mld + Laiban

Supply-Demand Curve



5.14.2009

Chronology of Events per Administration

<p>Marcos Administration (1978 – 1986)</p>	<ul style="list-style-type: none"> ■ In November 1978, President Marcos deferred the Marikina River Project under PICOREM (Presidential Inter-Agency Committee for the Re-Study of the Marikina River Project) but gave instruction to explore other alternative resources. ■ <i>Kaliwa River Basin was later found to be the most viable to replace Marikina River Project in the development program of MWSS.</i> ■ In January 1986, Presidential Proclamation No. 2480 was issued reserving a 4,424 hectares of the Marikina Watershed Reservation (including the 1,507 hectares titled properties of MWSS) in sitio San Ysiro, Barangay San Jose, Antipolo, Rizal, for resettlement purposes under the administration of MWSS. ■ During the period 1982-1984, the access road to damsite and the diversion tunnel were constructed. ■ Then came EDSA Revolution in February 1986.
<p>Aquino Administration (1986-1992)</p>	<ul style="list-style-type: none"> ■ In December 1989, <i>Laiban Dam Project was deferred</i> in lieu of other equally important water supply projects which were the Angat Water Supply Optimization Project (AWSOP) and the Umiray-Angat Transbasin Project (UATP), as approved by the MWSS Board of Trustees under Resolution No. 195-89.

Chronology of Events per Administration

<p>Ramos Administration (1992 – 1998)</p>	<ul style="list-style-type: none"> ■ In August 1997, the operation of the system of waterworks and sewerage services was privatized under a Concession Agreement subdivided into East and West concession areas (MWSS Privatization).
<p>Estrada Administration (1998 – 2001)</p>	<ul style="list-style-type: none"> ■ In August 1998, <i>Memorandum Order No. 10</i> was issued by President Joseph E. Estrada mandating MWSS to immediately resume the implementation of Laiban Dam Project.
<p>Arroyo Administration (2001 - present)</p>	<ul style="list-style-type: none"> ■ In April 2007, NEDA-ICC has approved the Project in the total cost of PhP48 Billion to be funded under the China Loan. ■ However, in the Joint NEDA Cabinet Group and Procurement Transparency Group meeting held on February 19, 2008, MWSS was instructed to cancel Laiban Dam Project under the China Loan and focus instead on the implementation of the Angat water Utilization and Aqueduct Improvement Project (AWUAIP) – Phase 2; ■ <i>Due to the urgency of the Project based on the MWSS' water supply deficit for Metro Manila and the issue of the reliability of a single water supply source which is the Angat Dam</i>, MWSS pursued the Project through other mode of procurement which is the Joint Venture Agreement scheme (promulgated by NEDA), hence, interested proponents through MOU were allowed to undertake due diligence preparatory to the submission of their Unsolicited Proposals.

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